



# Senate

General Assembly

**File No. 63**

January Session, 2013

Substitute Senate Bill No. 883

*Senate, March 20, 2013*

The Committee on Aging reported through SEN. AYALA, A. of the 23rd Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

## **AN ACT CONCERNING A COMMUNITY SPOUSE'S ALLOWABLE ASSETS.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) (*Effective from passage*) (a) For purposes of this  
2 section:

3 (1) "Institutionalized spouse" has the same meaning as provided in  
4 42 USC 1396r-5(h)(1).

5 (2) "Community spouse" has the same meaning as provided in 42  
6 USC 1396r-5(h)(2).

7 (b) The Commissioner of Social Services shall amend the Medicaid  
8 state plan to require that the community spouse of an institutionalized  
9 spouse receive the maximum community spouse protected amount  
10 pursuant to 42 USC 1396r-5(f)(2).

11 (c) The commissioner shall adopt regulations, in accordance with  
12 the provisions of chapter 54 of the general statutes, to implement the

13 provisions of this section.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	New section

**Statement of Legislative Commissioners:**

The defined term "Institutionalized person" was changed to "Institutionalized spouse", and "institutionalized Medicaid recipient" was changed to "institutionalized spouse", for accuracy.

**AGE**      *Joint Favorable Subst. -LCO*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

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### **OFA Fiscal Note**

#### **State Impact:**

<b>Agency Affected</b>	<b>Fund-Effect</b>	<b>FY 14 \$</b>	<b>FY 15 \$</b>
Social Services, Dept.	GF - Cost	See Below	See Below

**Municipal Impact:** None

#### **Explanation**

The bill will result in a cost to the Department of Social Services associated with increasing the assets that a community spouse can receive to the maximum amount allowed under federal law (\$115,920).

Currently, a community spouse has access to half of the couple's assets as determined by DSS, up to \$115,920. For example, if a couple's total counted assets equal \$150,000, the community spouse would now keep \$115,920 instead of \$75,000, reducing the amount available for the institutionalized spouse. It is not known what portions of the institutional spouse's assets are used to cover the cost of their care prior to Medicaid eligibility. However, by reducing the amount available to the institutional spouse, it is likely that they would achieve Medicaid eligibility sooner.

As disposition of a couple's assets prior to Medicaid eligibility is not known, the pace of the accelerated eligibility cannot be known. Based on historical data, there are approximately 150 married Medicaid long-term care enrollees per month (1,800 annually) to which this change may apply. Medicaid nursing home care costs approximately \$5,740 per month. Therefore, a month of accelerated eligibility for 150 clients per month would result in an annualized increased Medicaid cost of \$10,332,000. The actual costs will depend

on the disposition of the couples' assets prior to Medicaid eligibility.

***The Out Years***

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.

*Sources: Department of Social Services Cost and Caseload Information*

**OLR Bill Analysis****sSB 883*****AN ACT CONCERNING A COMMUNITY SPOUSE'S ALLOWABLE ASSETS.*****SUMMARY:**

This bill requires the social services commissioner to amend the Medicaid state plan to require that the spouse of someone in an institution (i.e., nursing home) who remains in the community be allowed to receive the maximum amount of assets allowed by federal law (\$115,920 in 2013). Currently, the spouse can keep half of the couple's combined assets, up to that maximum.

The commissioner must adopt regulations to implement this change.

EFFECTIVE DATE: Upon passage

**BACKGROUND*****Community Spouse Protected Amount***

Federal Medicaid law allows the spouse of someone living in a long-term care institution to keep some of the couple's assets to ensure the spouse living in the community does not become impoverished. The amount retained by the non-institutionalized spouse is referred to as the community spouse protected amount (CSPA). The maximum and minimum CSPAs are set by federal law and the state must update them yearly.

**COMMITTEE ACTION**

Aging Committee

Joint Favorable

Yea 12 Nay 0 (03/07/2013)